

HCS SCS SB 686 -- TRANSFERS OF SCHOOL FUNDS

SPONSOR: Russell (Cunningham, 86)

COMMITTEE ACTION: Voted "do pass" by the Committee on Education by a vote of 23 to 1.

This substitute allows school districts to transfer unrestricted funds from the capital projects fund to the incidental fund in any year in which that year's June 30 combined incidental and teachers funds' unrestricted balance is less than 10% of the combined incidental and teachers funds' expenditures without a transfer. The substitute also permits one-time transfers from the incidental to the capital projects funds for specific projects for two districts and provides a mechanism for transfer of moneys between funds for certain districts that have placed qualified zone academy bond proceeds in the capital project funds without setting a levy.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds.

PROPOSERS: Supporters say that the substitute will give some flexibility to districts that are facing hard economic times by permitting a district with a low operating fund balance to transfer unencumbered capital funds to an operating account balance.

Testifying for the bill were Senator Russell; Missouri School Boards Association; Missouri Council of School Administrators; Missouri State Teachers Association; and Missouri National Education Association.

OPPOSERS: There was no opposition voiced to the committee.

Becky DeNeve, Senior Legislative Analyst